

DEPARTMENT OF HEALTH AND HUMAN SERVICES

STATEMENT

OF

MICHEL E . LINCOLN, DEPUTY DIRECTOR
OFFICE OF THE DIRECTOR
INDIAN HEALTH SERVICE

BEFORE THE

SENATE COMMITTEE ON INDIAN AFFAIRS

FEBRUARY 24, 1999

STATEMENT OF THE INDIAN HEALTH SERVICE
OVERSIGHT HEARING ON THE FY 2000 PRESIDENT'S BUDGET REQUEST
February 24, 1999

Mr. Chairman and Members of the Committee:

Good morning. I am Michel Lincoln, Deputy Director of the Indian Health Service (IHS). Today I am accompanied by Mr. Gary Hartz, Acting Director of the Office of Public Health, and Dr. Craig Vanderwagen, Director of Clinical and Preventive Services. We are pleased to have this opportunity to testify on the FY 2000 President's budget request for the Indian Health Service. the responsibility for the delivery of As you know, the IHS has health services to Federally-recognized American Indians and Alaska Natives (AI/AN's) through a system of IHS, tribal, and urban (I/T/U) operated facilities and programs based on treaties, judicial determinations, and Acts of Congress. The mission of the agency is to raise the physical, mental, social, and spiritual health of American Indians and Alaska Natives to the highest level, in partnership with the population served. The agency goal is to assure that comprehensive, culturally acceptable personal and public health services are available and accessible to the service population. The mission and goal are addressed through four strategic objectives, which are to 1) improve health status; 2) provide health services; 3) assure partnerships and consultation with IHSI Tribal, and Urban programs; and 4) perform core functions and advocacy.

For the second year now, development of the IHS budget request originated at the health services delivery level. As full partners with the IHS in delivering needed health care to AI/AN's, tribal and urban programs participate at all levels of formulating the budget request and annual performance

plan. The combined expertise of the IHS, Tribal, and Urban Program health providers, administrators, technicians, and elected officials, as well as the public health professionals at the Area and Headquarters offices, has resulted in a powerful statement of the health care funding priorities for AI/AN people. The FY 2000 President's budget request and performance plan represents the first of many incremental steps necessary to reduce the health disparities that prevail in the American Indian and Alaska Native population. It is consistent with the Agency's mission, the Department's strategic plan, and the Department of Health and Human Services' Initiative to Eliminate Racial and Ethnic Disparities in Health.

The President proposes an increase of \$170.1 million to the IHS budget in FY 2000 above the FY 1999 appropriations more than double the rate of medical inflation. This substantial increase provides an additional \$82.6 million for current services items including health care facilities construction, \$68.4 million in program increases for Services, and \$19.1 million in program increases for Facilities and Environmental Health. The eight percent increase will allow I.H.S. to finance 44 new dental unit teams to provide an additional 25,000 dental visits, reduce incidence of complications related to chronic diseases such as diabetes, and enable approximately 100 new community based Public Health Nurses to provide outreach activities, including home visits, well child examinations, immunizations, pre-natal care, health fairs, follow-up visits, and missed clinical appointments. On top of the proposed \$170 million increase, I.H.S. expects to collect an additional \$82 million in reimbursements due to Medicaid collection rate increases from 1998 to 2000.

From a policy perspective this budget request is perhaps the most strongly supported proposal in the Agency's history; it is based on both new and longstanding Federal policy and commitment for

improving health status by assuring the availability of basic health care services for members of federally recognized Indian tribes- The request supports the following three policy initiatives:

- the President's Race Initiative, specifically the HHS Initiative to Eliminate Racial and Ethnic Disparities in Health,
- the proposed Healthy People 2010 and its goal of achieving equivalent and improved health status for all Americans over the next decade,
- the DHHS strategic plan with goals to reduce major threats to health and productivity of all Americans; improve the economic and social well-being of individuals and families, and communities in the United States; improve access to health services and ensure the integrity of the Nation's health entitlement and safety net program; improve the quality of health care and human services; and improve public health systems.

In addition, the Indian Health Care Improvement Act also reflects the reaffirmation of the U.S. government's commitment to Indian tribes to improve the health of their people. The Act states *"The Congress hereby declares that it is the policy of this Nation, in fulfillment of its special responsibilities and legal obligations to the American Indian people to assume the highest possible health status for Indians and urban Indians and to provide all the -resources necessary to affect that policy."*

Furthermore, the President of the United States reaffirmed the significance of the "government to government" relationship between tribes and the federal government in his Executive memorandum of April 1994, concerning consultation with American Indian and Alaska Native tribal leadership.

The primary policy basis for this budget request is eliminating health disparities between the AI/AN population and the general U.S. population. The request supports this intent by restoring access to the basic health service, including assuring that there are adequate facilities and equipment for the provision of health services, providing adequate support services to the tribal health delivery systems.

The request also supports a four-pronged funding strategy for the I.H.S., which includes: 1) increased resources; 2) a coordinated effort to ensure that HHS health grants provide assistance to Native Americans; 3) review of reimbursements from Medicaid and Medicare based on cost data; and 4) increased vigilance to ensure that Federal funds are used properly.

A major priority in the budget proposal is to restore access to basic health services. The IHS has demonstrated the ability to effectively utilize available resources to provide effective services and improve the health status of AI/AN people. However, this record of achievement has eroded in recent years in the face of budget constraints and the need to shift to providing more acute and urgent care treatment in the face of limited resources. Thus, to redress the declining access to essential individual and community health services, the Area IHS, Tribal, and Urban programs identified funding of pay increases and current services items as their first priority for budget increases for FY 2000. In an effort to maintain the current level of services, the budget request includes \$34.8 million for pay cost increases \$2.8 million to address the increased GSA rental rates, and \$8.6 million to fund the staffing and operating costs of those facilities that will open in FY 2000 or have recently opened.

Another essential component of supporting access to services and improving health status in the long run, is to assure that there are adequate facilities and equipment for the provision of health services.

The average age of IHS facilities is 32 years. The budget request includes a total of \$51 million for replacement, maintenance and improvement of health care facilities, and new or replacement medical equipment. This amount will fund second phase construction of the hospital at Fort Defiance, Arizona, and the health center at Parker, Arizona; allow for the completion of planning and design Of the Red Mesa. and Pawnee health centers, and provide five to eight modular dental units. it will also address the deferred maintenance needs and replacement of medical equipment that has exceeded its useful life , and the purchase of ambulances to provide needed emergency medical services.

Also critical is the provision of adequate contract supports costs necessary to support the health services provided through tribal health programs. These requested funds are necessary for tribal communities to assure that there are utilities, training, clerical staff, administrative and financial services needed to operate health programs. Without this contract support funding, these support services are either not available or must be funded from resources that would otherwise fund health service activities. This investment is consistent with the Administration's commitment to expand tribal participation in the management of federally funded programs, and reinforces the principles of the Indian Self-Determination Act.

The FY 2000 budget includes an increase of \$35 million over the FY 1999 enacted level for contract support costs (CSC). This amounts to a 17 percent increase over the FY 1999 level- The increase is necessary to address the CSC of ongoing compactors, contractors and, to the extent possible to provide initial and CSC funding for new and expanded tribal programs to be contracted in FY 2000. The FY 1999 Conference Report asked-the IHS to provide solutions to the critical issues surrounding CSC funding. Contract Support Costs has become one of the most challenging problems faced by

the IHS and Indian Country since the inception of Indian Self-Determination in 1975. The IHS has been assembling data and analyzing this problem since last October- We have consulted with Tribes, the National Congress of American Indians, the General Accounting Office, the Bureau of Indian Affairs, and the Department of Interior Office of Inspector General and we believe we are nearing some solutions that will enable the IHS and tribes to manage CSC responsibly in an era of constrained Federal budgets and increasing CSC demands- The IHS will be conducting ongoing tribal consultation on these alternative solutions throughout the summer months but we are confident that a jointly supportable Federal/tribal solution will be adopted and implemented for FY 2000. We will share these solutions with the Committee before they are finalized.

The requests that I have just described provide the investment required to begin restoring the IHS, tribal, and urban Indian public health system to provide access to high quality medical and preventive services as a means of improving health status. Funds are included that target segments of the population that are particularly vulnerable to disproportionate disease burden and identified as health priorities by the IHS, Tribal, and urban programs:, children and Youth, women, elders and urban Indians. To address the multiple health issues affecting these populations, the budget request includes increases affecting these populations, the budget request includes increase totaling \$24.4 million in the areas of women's health, alcohol and substance abuse, public health nursing and urban Indian health. The request also includes increases to target the specific disease entities identified as priority areas by the IHS, Tribal, and Urban programs and responsible for much of the disparity in health status for the AI/AN population, including dental diseases, injuries, already mentioned and cancers. The budget provides a dental program increase of \$7 million and \$2.8 million for injury prevention, and an additional \$24 million for contract health services.

Public health infrastructure is fundamental to these proposals. \$22.8 million is requested for information and telecommunication systems the Indian Health Care Improvement Fund, and Facilities and Environmental Health Support.

The budget also provides e American new and existing homes at the community level. The American Indian and Alaska Native homes are seven times more likely to be without clean water than homes in the broader U.S.A. A \$3 million increase is requested to provide for needed water sewer, and solid waste facilities, as well as to clean up and replace open dumps. This construction is integral to making sure that further progress is to be made in preventing infectious diseases and improving the quality of life in Indian country.

In summary this budget request and performance plan will address access to individual and community health service and allow I.H.S to increase services in a number of important areas listed previously in this testimony, including breast and cervical cancer screening and prenatal- care- The request provides the initial increment required to enhance the IHS, Tribal, and Urban, public health system so that it can again continue to make significant improvements in the health status of American Indian and Alaska Native people.

Thank you for this opportunity to discuss the FY 2000 President's budget request for the IHS- We are pleased to answer any questions that you may have.